



In December 2008, Mayor Gavin Newsom announced the merger of the Mayor's Office of Community Investment (MOCI) into the Economic and Workforce Development Department (OEWD). At its core, the merger was designed to better align funding sources and program delivery.

While there are strong programmatic synergies between the two agencies, the association is not a perfect fit:

- MOCI's primary function was to administer and deploy the Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program, as well as the HUD Federal Emergency Shelter Grant program, and the City's local, state and federal criminal justice and violence prevention funds formerly administered by the Mayor's Office of Criminal Justice.
- Historically, MOCI granted these funds to Community Based Organizations (CBOs) that work to strengthen the social, physical and economic infrastructure of San Francisco's low-income neighborhoods and communities in need.
- MOCI also provided these CBOs with technical support and capacity-building skills, effectively developing and strengthening the networks of CBOs throughout the City.
- MOCI provided community building services targeted to low-income neighborhoods throughout the City.
- OEWD develops and implements programs that support the economic and workforce development needs of San Francisco.
- OEWD's neighborhood commercial revitalization programs are responsible for supporting and strengthening commercial corridors in low- and moderate-income areas.
- OEWD's workforce development programs are largely targeted to the needs of low- and moderate-income workers with multiple barriers to employment.
- OEWD also works citywide to attract and retain businesses, including international businesses, as well as to assist in development planning for large scale public/private projects that create wide-reaching public benefits such as parks, jobs and affordable housing.

The overlap and alignment between MOCI and OEWD neighborhood economic development and workforce development efforts was strong and the leveraging potential was clear – CBOs can be funded with CDBG dollars and better support and contribute to city-sponsored economic and workforce development programs such as the Neighborhood Marketplace Initiative, the One Stop Career Link Employment Centers, and sector-focused workforce training programs.

However, parties to the merger recognized that the union would not well support the strong community services and CBO capacity building functions previously provided by MOCI. After the merger, OEWD immediately began discussions with allied departments. OEWD has spent the past three months meeting with the Mayor's Office of Budget and Policy, the Mayor's Office of Housing (MOH), the San Francisco Redevelopment Agency (SFRA), the Department of Children Youth and Families (DCYF), the Department on the Status of Women (DOSW), and the Human Services Agency (HSA) to discuss structuring options. The following has emerged:

- MOH will be the lead City agency to HUD.
- MOH will be responsible for overall CDBG program administration, compliance and reporting.
- MOH will oversee and administer the Citizen's Committee on Community Development (CCCD).
- MOH will coordinate the development of the HUD-required annual Action Plan, as well as the Citizen Participation Plan, and the 5 year Consolidated Plan; MOH will also be responsible for any and all updates to these plans.
- The CDBG capital and infrastructure and economic and workforce development grants will be awarded and managed by OEWD, in partnership with the CCCD.
- The community services/public services, community building and CBO capacity building allocations will be awarded and managed by DCYF. DCYF will also continue to provide technical assistance and capacity building services to the CBOs it funds.
- All violence prevention funds previously administered by MOCI will be administered and deployed by DCYF. This is part of a larger citywide effort to consolidate violence prevention funding and programs within DCYF.
- ESG grants will be programmatically aligned with HSA and DOSW and administered in coordination with those departments.
- The SOMA Community Stabilization Fund Community Advisory Committee will be staffed and administered in partnership with the SFRA.
- There will continue to be a unified, annual RFP used to solicit proposals from CBOs for CDBG and ESG dollars.

There are strong lasting benefits to the merger:

- The merger has resulted in significant, ongoing budgetary savings: Seven positions have been eliminated as a result of overlapping functions. These reductions created significant General Fund savings that were implemented in FY 2008-2009 and will carry forward into subsequent budget years.
- MOCI's dormant small business revolving loan program has been recapitalized and reactivated. Beginning this month, CDBG-eligible small businesses can access over \$800,000 in micro and small business loans.
- Consolidation allows for better leveraging of funding streams: MOH delivers housing and housing programs to city residents by coordinating and deploying multiple funding streams, while DCYF does the same for children and family

services. Violence prevention services that had been provided by MOCJ and Juvenile Probation will also now be administered by DCYF. Efforts have been underway for two years to consolidate all city workforce funding under Workforce Development Division of OEWD. Integrating CDBG dollars furthers this citywide coordinated approach to service and program delivery.

Cities around the country administer and employ CDBG funds in a myriad of ways. The new structure, which divides responsibilities among city departments, is not unusual:

- In Boston, CDBG funds are administered and partially deployed by the City's Department of Neighborhood Development and used primarily for affordable housing and economic development activities. The public services portion of Boston's CDBG allocation is managed and deployed by the Office of Jobs and Community Services and is used primarily for City-run workforce development programs.
- In New York, CDBG is administered by the Office of Management and Budget, which houses and oversees the Community Development Task Force. CDBG funds are programmed and allocated largely by the Department of Housing Preservation and Development and Department of Small Business Services. Childcare and other public/community services are also funded.
- In Chicago, the City's Office of Budget and Management administers CDBG funds while the Mayor's Office of Workforce Development and the Department of Family and Support Services share authority for deploying CDBG dollars. The grants are used to fund CBOs as well to fund city-sponsored programs.
- In Denver, CDBG is administered by the Housing and Neighborhood Development Division of the Office of Economic Development. The four divisions of the Office of Economic Development – Business Development, Small Business Opportunity, Housing and Neighborhood Development and Workforce Development – all play a role in allocating and managing CDBG grants and programs.
- In Los Angeles, CDBG dollars are allocated and administered by the County. The City of Los Angeles deploys their CDBG allocation through their Community Development Department, which is coordinated and runs programs for programs and services for businesses, workforce, individuals, families and youth.